



File: 0644.105.1

August 16, 2012

Mr. Joe Yun
California Department of Water Resources
Division of Integrated Regional Water Management
P.O. BOX 942836
Sacramento, CA 94236-0001

Subject: Coachella Valley Regional Water Management Group comments on the DRAFT IRWMP Planning Grant PSP and Implementation Grant PSP

Dear Mr. Yun;

The Coachella Valley Regional Water Management Group (CVRWMG) would like to thank DWR for release of the draft IRWM Planning Grant PSP and Implementation Grant PSP and the opportunity to provide comments related to these documents. CVRWMG is committed to IRWM planning and is looking forward to the opportunity to seek funding for planning and implementation activities in this second round.

CVRWMG has reviewed the draft PSPs and submits the following comments:

Projects that Directly Benefit Disadvantaged Communities (DACs)

The CVRWMG has contributed significant efforts and resources to the inclusion of DACs within our region. However, DWR's processes create significant obstacles for these communities. Specifically, DWR will not assist in funding the preparation of grant applications. DACs do not have the resources to dedicate to preparing these applications and are therefore put at a disadvantage even when a project is well-suited for funding.



Moreover, when a project is awarded funding, DWR only allows grant monies to be distributed in arrears. DACs do not have the start-up funding to get these projects off the ground. CVRWMG requests that DWR consider distributing start-up funding, preferably for all projects, but especially for DACs.

Funding Cycles and Processes

It is CVRWMG's belief that all regions should have equitable opportunity to provide high quality drinking water to their communities. As such, CVRWMG requests that DWR carefully weigh the application submittals from regions that have already received extremely large sums in the first rounds of Proposition 84 funding. One regional management area in the Colorado River Funding Region has received a great deal of Proposition 50 and 84 funding to date while the other three have received smaller amounts or none at all. The CVRWMG urges DWR to consider previous funding awards to ensure equitable distribution of Proposition 84 funding.

Additionally, the amount per round will only be \$5.2 million for the Colorado River Funding Region this round. With \$36 million available throughout Proposition 84, and only \$8 million distributed in Round One, the CVRWMG would like to see the amount for this round increased. Many projects exist within our region that are ready to move forward and address critical needs. There is no reason to wait to fund them. If DWR does increase the funding, however, we request that regions are made aware as soon as possible. During the last round the funding increase was not announced until after we had made significant efforts to prepare our application for the amount originally announced.

The retention component of the funding cycle is also problematic for the CVRWMG. With the consideration that grant funds are distributed only in arrears, there is no reason for the state to require ten percent retention on projects. Doing so creates challenges in cash flow management for project proponents. CVRWMG urges DWR to reconsider this policy and eliminate retention from Proposition 84 grant distribution.

Economic Analysis

The requirements included in the draft Implementation Grant PSP discussing the economic analysis are unnecessarily complex. While CVRWMG does recognize DWR's efforts to combine sections of the analysis, the change eliminated repetition but did not reduce tasks. Please consider modifying these Exhibits to allow simplified cost/benefit analysis that still accomplishes the intent of the Guidelines.

Award Schedule

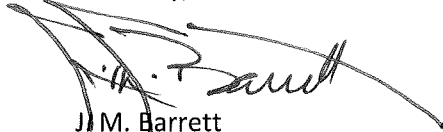
Agencies involved in capital projects are often required to coordinate with numerous stakeholders and other agencies such as local government jurisdictions. Recipients of round one implementation funding were provided a timeline in which to expect contracts to be executed. These agencies then planned around that timeline. In one case, the local agency planned to collaborate on a project in the public right of way with a city which was also utilizing restricted funds for street improvements. When the state missed its projected timeline for contract execution the city was still required to use its funding by a date certain. The streets were put in and will shortly be destroyed by the agency's capital improvement project funded by the Implementation Grant. The agency will, therefore, not take advantage of the cost savings from the city project and residents have become quite irritated over the perceived lack of communication between the

local entities. We request that the state require a "date-certain" policy regarding contract execution and funding availability for future capital projects awarded.

Conclusion

Again, CVRWMG thanks DWR for the release of draft PSPs and Guidelines. Our region appreciates the solicitation of our input and hopes the suggestions in this letter are valuable to the department. CVRWMG looks forward to the release of the final PSPs and Guidelines. Our region is committed to IRWM planning and improving our region through the integrated resources management process.

Sincerely,

A handwritten signature in black ink, appearing to read "J. M. Barrett", with a long, sweeping horizontal line extending to the right.

J. M. Barrett
Acting General Manager
Coachella Valley Water District